

## **Economic Recovery Grants Symposium**

**April 14, 2009**

Dena'ina Civic and Convention Center 11 a.m. – 5 p.m.

“Thank you for inviting HUD to attend today. This federal grants symposium is another opportunity to meet with representatives from federal agencies to discuss potential grant opportunities along with specific eligibility and application requirements. I want to publicly thank the congressional delegation for hosting this wonderful event which helps to equip a lot of dedicated people and organizations with information and strategies for accessing federal grant funds to help meet the needs of their community. What’s particularly exciting is that, thanks to the Recovery Act passed by the Congress and signed by the President, our communities are going to see many more projects that will address priority needs of Alaskan communities over the next couple of years.

HUD/DOE MOU -agreement between the Secretaries of HUD and DOE, dated February 27th, to partner on weatherization and energy efficiency activities.

## **HUDS’ OFFICE OF NATIVE AMERICAN PROGRAMS**

### **Native American Housing Block Grant - Formula**

- The Native American Block Grant-Formula Program is funded nationally at \$255,000,000. The funds are distributed by formula based on FY 2008 NAHASDA allocations.
- The Native American Block Grant – Formula Program allocation for Alaska is \$39,991,321.
- Block grant funds can be used for: new construction; acquisition; rehabilitations, including energy efficiency and conservation; and infrastructure development. Funds can also be used to leverage private sector financing for new construction, renovation, and energy retrofit investments.
- Eligible applicants include: Indian tribes or tribally designated housing entities (TDHEs) who received funding under the FY 2008 NAHASDA (25 U.S.C. 4101 et seq.) formula allocation.

**Current Status:** On March 16, 2009, the Alaska Office of Native American Programs (AONAP) obligated the Native American Block Grant - Formula funds and forwarded Grant Agreements w/special conditions to 61 eligible NAHASDA recipients. Thirty two (32)

Grant Agreements have been executed and returned by NAHASA recipients. Twelve (12) IHP Amendments are currently under review by the AONAP and twelve (12) IHP amendments have been found in compliance and funds are being made available to the recipients.

### **Native American Housing Block Grant - Competitive**

- The Native American Block Grant-Competitive Program is funded nationally at \$242,225,000.
- Native American Block Grant funds will be distributed using a competitive process.
- Block grant funds can be used for any eligible activity under NAHASDA, including: acquisition, new construction, rehabilitation of affordable housing, site improvements, development and rehabilitation of utilities and infrastructure, utility services, conversion, demolition, financing, administration and planning, improvement to achieve greater energy efficiency, mold remediation, investments that leverage private sector funding or financing for renovations, and energy conservation retrofit investments.
- Eligible participants include: Indian tribes or tribally designated housing entities (TDHEs) eligible to receive funding under NAHASDA (25 U.S.C. 4101 et seq.)

**Current Status:** The Native American Housing Block Grant - Competitive processing NOFA is currently under development at Headquarters.

### **The Indian Community Development Block Grant (ICDBG) - Competitive Program**

- The ICDBG - Competitive Program is funded nationally at \$10,000,000.
- The ICDBG - Competitive Program is funded through a set-aside of the Community Development Block Grant formula in title I of the Housing and Community Development Act of 1974.
- Block grant funds can be used for housing construction, rehabilitation, acquisition of land for housing, direct assistance to facilitate homeownership among low- and moderate-income persons, construction of tribal and other facilities for single or multi-use, streets and other public facilities, and economic development activities.
- Eligible participants include: Indian tribes, bands, groups, nations, tribal organizations, including Alaska Indians, Aleuts, Eskimo, and any Alaska Native Village (that is eligible for assistance under the Indian Self-Determination and Education Assistance Act or which had been eligible under the State and Local Fiscal Assistance Act of 1972) that received ICDBG funds in fiscal

year 2008, are eligible for these funds.

**Current Status:** The ICDBG - Competitive processing NOFA is currently under development at Headquarters.

## **Office of Community Planning and Development Summary for State of Alaska**

### **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

- *Formula CDBG*
  - \$1,000,000,000 distributed by formula to grantees that received funding in fiscal year 2008. In Alaska:
    - Anchorage: \$507,812 (Municipality of Anchorage/Dept of Neighborhoods)
    - Fairbanks: \$67,436 (City of Fairbanks)
    - State of Alaska: \$679,936 (Department of Commerce, Community & Economic Development)
    - 1% competitive for iCDBG nationwide (\$10,000,000)
  - Recipients must give priority to:
    - projects that can award contracts based on bids within 120 days from the date the funds are made available to the recipients.
  - Uses: same as regular CDBG (housing and community development primarily benefiting low and moderate income residents, slum and blight removal, and emergency response to disasters)
  - HUD may waive statutes and regulations except for fair housing, nondiscrimination, labor standards, and the environment
  - As this is a formula fund under the Housing and Community Development Consolidated Plan, an amendment to the community's Action Plan will likely be required.
- *Neighborhood Stabilization Program - Funding*
  - \$2,000,000,000 - competitions for which eligible entities shall be States, units of general local government, and nonprofit entities or consortia of nonprofit entities, which may submit proposals in partnership with for profit entities
  - Significant Dates:
    - May 3, 2009: selection criteria must be published (by HUD)
    - July 17, 2009: applications must be due (to HUD)
    - February 17, 2010: HUD must obligate all funds to grantees
    - Grantees must expend 50 percent of funds within 3 years of date funds were obligated to them.
    - Grantees must expend 100 percent of funds within 3 years of date funds were obligated to them.
  - HUD Selection Criteria in ARRA:
    - areas with the greatest number and percentage of foreclosures and
    - funding can be expended within the period allowed under this heading
    - demonstrated grantee capacity to execute projects
    - leveraging potential

- concentration of investment to achieve neighborhood stabilization
  - any additional factors determined by HUD
- HUD may establish a minimum grant size
- Up to 10% for capacity building and local community support for HERA and ARRA NSP grantees.
- HUD may waive statutes and regulations except for fair housing, nondiscrimination, labor standards, and the environment
- Various URA and tenant protections and waivers
- 1% (\$10,000,000) for (HUD) staffing, training, technical assistance, technology, monitoring, travel, enforcement, research and evaluation activities through September 30, 2012: Categories: personnel, training/admin, technology
- *Neighborhood Stabilization Program – Some Changes from Original HERA*
  - Section 2301(d)(4) of the Act is repealed (*this is the section that talks about profits/revenues – the assumption is the program will now use general CDBG program income rules*)
  - Section 2301(c)(3)(C) of the Act is amended to read “establish and operate land banks for homes and residential properties that have been foreclosed upon”: (*this adds the words “operate” and “residential properties”*)
  - Funding used for section 2301(c)(3)(E) of the Act shall be available only for the redevelopment of demolished or vacant properties as housing (*as opposed to redevelopment for any purpose – not sure if this affects supportive housing being considered a public facility*)
  - No amounts made available from a grant under this heading may be used to demolish any public housing (Section 3 of 1937 Act)
  - Grantee may not use more than 10 percent of its grant under this heading for demolition activities under section 2301(c)(3)(C) and (D) without HUD approval based on appropriate response to local market conditions
  - Recipients may not refuse tenants solely because of Section 8 holder status. Public Housing Section 8 rental payments may be used to pay back utilities on behalf of the owner, or moving costs of tenant, if owner refuses or can’t accept rent payments.

## **HOME INVESTMENT PARTNERSHIPS PROGRAM**

- \$2,250,000,000 distributed by formula to state housing credit agencies for low income housing tax credit investments
  - Alaska Housing Finance Corporation will receive \$5,490,631
  - State housing credit agencies must distribute competitively pursuant to their qualified allocation plan (QAP) AND must give priority to projects that are expected to be completed within 3 years of enactment
- Deadlines/Dates:
  - Projects must have LIHTC allocation, from FY20007, 2008 or 2009
  - February 17, 2010: 75 percent of funds committed
  - February 17, 2011: project owners expend 75 percent of the funds
  - February 17, 2012: project owners expend 100 percent of the funds

- *HOME v. LIHTC*:
  - Follows LIHTC rules rather than HOME for rent, income, and use restrictions
  - Asset management at owner's expense for LIHTC compliance
  - ARRA HOME \$ does not affect eligible basis (as it otherwise would)
  - HUD creates an Internet site to identify all projects selected for an award, including the amount of the award with linkage to the housing credit agency allocation plan which describes the process that was used to make the award decision
  - HUD may waive statutes and regulations except for fair housing, nondiscrimination, labor standards, and the environment

## **HOMELESSNESS PREVENTION FUND**

- \$1,500,000,000 available until September 30, 2011 by formula w/minimum grant size. In Alaska:
  - "Balance of State" = \$1,143,986 (outside of Anchorage, SOA will use AHFC to administer)
  - Anchorage = \$776,469
- March 17, 2009: HUD must publish notice
- grantees shall expend at least 60 percent of funds within 2 years of the date that funds became available to them for obligation, and 100 percent of funds within 3 years of such date. HUD recaptures funds in violation of 2-year deadline.
- Uses:
  - short-term or medium-term rental assistance;
  - housing relocation and stabilization services including:
    - housing search,
    - mediation or outreach to property owners,
    - credit repair,
    - security or utility deposits,
    - utility payments,
    - rental assistance for a final month at a location,
    - moving cost assistance, and
    - case management; or
    - other appropriate activities for homelessness prevention and rapid re-housing of persons who have become homeless.
- grantees must capture data for HMIS
- grantees may use up to 5 percent of any grant for administrative costs
- .5 percent (\$7,500,000) shall be available for (HUD) staffing, training, technical assistance, technology, monitoring, research and evaluation activities, available through September 30, 2012
- As this is a formula fund under the Housing and Community Development Consolidated Plan, an amendment to the community's Action Plan will likely be required.

## **PUBLIC HOUSING ARRA ACT FACTS - AHFC**

AHFC received \$3,306,953 in Capital Fund Recovery Act (CFRG) funding dedicated to Public Housing under the overall American Relief and Recovery Act.

AHFC must place these funds under contract by 03/17/10, and fully expend the funds by 03/17/12. The projects AHFC has identified for the funding have been previously approved as part of their 5-year plan.

The work AHFC has planned for CFRG funding will create contracting opportunities for design and construction trade contractors in the amount of \$2,592,600.

The remaining \$714,353 in CFRG funding will support administration, fees, costs and a contingency fund for the planned work projects.

Thus far AHFC is working on preparing requests for proposal for design and trade services in conjunction with planned work, but cannot commit funds until approval to expend Recovery Act funding is processed by the State Legislature and Governor.

AHFC has identified the following planned uses for CFRG funds:

- Interior and exterior renovations to Public Housing units in the Mt. View, Midtown and Spenard neighborhoods of Anchorage at \$485,000.
- Site improvements to Public Housing units located in the Mt. View, Midtown and Spenard neighborhoods of Anchorage at \$255,000.
- Public Housing dwelling unit replacement and interior/exterior renovations in Fairbanks at \$1,440,000.
- Public Housing dwelling unit replacement and interior/exterior renovations in Ketchikan at \$102,600.
- Public Housing dwelling unit replacement and interior/exterior renovations in Bethel at \$230,000.

- Interior and exterior renovations to Public Housing units in Nome at \$80,000.

The dollar amounts associated with HUD through the Recovery Act are so huge that oftentimes another important element of the Act is overlooked – the Act’s temporary increase in FHA mortgage insurance limits in higher cost markets.

In calendar 2008, FHA had its best year – both in endorsements and the dollar value of those endorsements – in FHA’s 75 year history. If you look at data from the first two months of calendar 2009, FHA is on pace to surpass its 2008 record.

I’ll leave it to those with a brain in their head to explain definitively why FHA is enjoying such an uptick. But I’d suspect that one important reason is the significant increase in re-finance from riskier products to safer, sounder FHA mortgages. For many, many “at risk” or potentially “at risk” homeowners, FHA has become the home-saver.

I guess I’m also hear to remind everyone that, thanks to the Recovery Act, there’s even more work to be done.”